



Income Diversification Among Pastoralists: Lessons for Policy Makers

How Important is Diversification?

Income diversification is an increasingly important means for herders to manage risk. Currently the proportion of income from non-pastoral sources exceeds 20 percent for many pastoral locations in the region, a figure that is considerably larger than most policy makers assume. However, despite its rising significance, diversification is not the panacea for overcoming pastoral poverty and food insecurity that many assume it to be. In fact, research shows that while some forms of diversification enhance welfare, others can increase risk and eventually undermine pastoral livelihoods. Importantly, herd mobility and accumulation remain the major means for managing risk in dryland areas and, therefore, efforts to encourage diversification should complement not compete with these goals.

This policy brief discusses some of the common misunderstandings regarding economic diversification among pastoralists that have plagued development policies and programs. It offers guidelines for different policy options which allow herders to better manage the risks that they currently face while better positioning themselves for the future. As presented here, economic diversification among pastoralists is the pursuit of any non-pastoral income-earning activity, whether in rural or urban areas. This definition includes:

- any form of trading occupation e.g. selling milk, firewood, animals, or other products
- wage employment, both local and outside the area, including working as a hired herder, farm worker, and migrant laborer
- retail shop activities
- rental property ownership and sales
- gathering and selling wild products e.g. gum arabica, firewood, or medicinal plants
- farming, both for subsistence and cash incomes.



Economic diversification: the well-organized cross-border milk trade around Mandera in northeast Kenya add values to pastoral production (photo: Dawit Abebe)

In presenting different examples of pastoral diversification, the paper distinguishes between strategies of ex-pastoralists or poor who are clearly exiting pastoralism - often painfully - and those better-off herders who remain in the sector but are diversifying to complement and sustain their livelihood. One set of tactics is pursued for survival, the other for investment. As will be argued, rather than treat diversification always as an alternative to pastoralism, it suggests that it should be seen as a mechanism for adding economic value in pastoral communities and regions and for helping to maintain pastoral livelihoods.

Multiple Strategies

Income diversification is merely one of a range of different strategies that are employed by pastoralists to manage risks and improve welfare. Rarely is it the most important and usually ranks well behind the normal means of coping with risk, which include mobility, herd accumulation and animal diversification, the use of social networks and exchanges, and the marketing of animals. Practitioners may view income diversification as an abandonment of pastoralism, but only the poorest, least viable pastoral households are using it to opt out of pastoralism. Instead, better-off pastoral households pursue non-pastoral activities to recover from drought or shock-induced herd losses and to supplement rather than replace livestock-based incomes. The need to earn supplemental revenues has resulted in some households maintaining family members year-round in settlements, while others remain in the range areas with the herds. By doing so, they still are able to move animals in search of seasonal pastures and water, as well as pursue non-pastoral activities, including formal education.

Pastoral areas are littered with failed development projects, especially expensive irrigation schemes and market infrastructure projects, which were based on the faulty premise that drought-stricken pastoralists would permanently exit pastoralism following a major disaster, such as a drought. Costly investments in permanent irrigation structures and town-based facilities were constructed in many pastoral areas but were abandoned once the pastoral sector recovered and herders returned to pastoralism. The expensive lesson here is that flexibility should be a driving factor in programs and policies that allow herders different options to supplement livestock-based incomes.

Adding Value to Pastoral Production

Different forms of pastoral diversification support, even strengthen, the pastoral sector, while other activities can undermine and constrain it. For instance, activities that keep value added in the

pastoral sector and promote region-based development, such as sustainable rangeland use (e.g. acacia sap and wild aloe harvesting and animal feed collection), veterinary and input retail supply, post-slaughter livestock processing and distribution (e.g. hides and skins, meat processing), animal fattening combined with marketing, nature-based tourism, and dairy sales and processing. Because they are strongly linked to pastoral production and generate economic multipliers in pastoral areas, they can be called *good forms of diversification*. They allow herders access to new sources of income and value that complement pastoralism, and can stem movements of herders to towns and settlements where they require food and other public assistance at high costs to government and donor agencies alike.

Inappropriate economic diversification: abandoned and costly large-scale irrigation project in pastoral area of northern Kenya (photo: Peter D. Little)



However, many of the diversification strategies that herders practice earn very minimal incomes, rarely strengthen the sector, and are destructive of the environment. These include activities, such as cultivating in key grazing zones and charcoal making, the latter which results in the deforestation of large expanses of rangelands, soil erosion, and loss of water supplies. Cultivation of key dry season grazing and water points is a particular problem, especially in highland and river valleys where agriculture often is feasible. This process is increasingly prominent in parts of the Borana plateau, southern Ethiopia and in large parts of the Maasai areas of southern Kenya and northern Tanzania, where local administration and institutions have been unable to control the loss of key grazing and water resources for use by

pastoralists. Because these activities negatively affect the ability of herders to access key resources during periods of need, they make local pastoralism less sustainable over time, as well as generate local disputes and destructive conflicts over these key resources.

Appropriate economic diversification: herds grazing harvested fields during dry season, Baringo District, Kenya (photo: Peter D. Little)



However, in cases where cultivated fields are open to livestock after harvest, farming can benefit rather than compete with livestock production.

For example, in parts of northeastern Kenya and southern Somalia, recession cultivation is seasonally practiced in river valleys and stream beds immediately after the long rains when livestock are moved to wet season pastures away from flooded areas. When grazing and water is scarce during the dry season, livestock are moved back into these zones, where they graze crop residues on harvested fields. Where a problem occurs is when farms are permanently fenced in key grazing areas and used year-round exclusively by owners, a practice that is growing throughout the region and one that damages the pastoral sector.

Avoiding 'one size fits all' prescriptions

Considerable ecological, market, and climatic diversity exist across different pastoral areas of eastern Africa sites. This diversity strongly influences what local options are available to diversify. Table 1 shows the variation in income diversification strategies in six very different pastoral communities of northern Kenya (see Little et al. 2008; McPeak and Little 2004). Each of these locations has a different set of

Table 1. Source of income by research site, Northern Kenya, 2000-2002

Site	Livestock Sales	Trade and business	Wage & Salary	Pastoral Income (milk/meat) ¹	Net Remittances	Crops
Logologo	9%	13%	43%	21%	13%	0%
N'gambo	6%	7%	30%	37%	8%	13%
Dirib Gumbo	14%	1%	16%	47%	11%	10%
Suguta Marmar	28%	18%	10%	36%	7%	0%
North Horr	10%	3%	13%	63%	11%	0%
Kargi	9%	3%	9%	72%	7%	0%

Source: PARIMA household study, 2000-2002

constraints to, as well as opportunities for pastoral income diversification. Three of the locations have rainfall that is too low for rainfed agriculture, while two have especially poor transport and market infrastructure and are very remote from market centers. The prospects for trading and wage-labor activities in these latter communities are minimal. This kind of variation exists throughout the pastoral areas of eastern Africa, including zones that traverse international borders. For example, marked differences in diversification patterns between pastoral areas of northern Kenya and across the border in southern Ethiopia, can largely be explained by the former's more developed labor markets and commercial sector and the latter's more favorable climate (see Little et al. 2001). Thus, pastoral households in northern Kenya generally depend more on waged and trade-based activities, but pursue cropping less frequently than their Ethiopian counterparts. In sum, income diversification among pastoralists is strongly influenced by local ecological, infrastructural, and economic conditions and, thus, policies and programs must be flexible enough to account for these different local contexts.

Differential Impacts

Diverse categories of herders—rich/poor and female/male—respond differently to opportunities for diversification. For instance, poor herders often are limited to poorly remunerative petty trade, charcoal production, and casual (unskilled) labor activities, but better-off households have the required labor and capital to diversify into more lucrative activities. The latter often pursue investments in education, which can be used to acquire salaried employment, long-distance livestock trade, shop ownership, and retail and wholesale businesses. In northern Kenya, for example, non-pastoral activities comprise more than 70 percent of household income for the lowest income quintile, but only about 25 percent for the highest income group. Most of the former group is involved in casual labor and other low income-earning activities, but those in the highest income quintile engage in retail businesses and salaried employment (Little et al. 2008).

What are sometimes disguised are gender-based differences. Indeed, pastoral women and men often pursue very different income-earning strategies. For example, women often control important segments of the trading sector, including dairy trade and small stock trade, and engage in beer brewing and handicrafts, which are used to supplement livestock-based incomes. Males, on the other hand, usually are more active in cattle and camel trade, especially long distance commerce, and are more likely to be involved in labor migration for employment. With these kinds of differences, policies that encourage pastoral income diversification should acknowledge their effects on varied social groups, so as to insure that benefits are not especially skewed toward one group (for example, wealthy male pastoralists).

Can formal education help?

As noted earlier, access to formal education often is a condition for attaining salaried, higher income employment. Indeed, considerable evidence shows that secondary and post-secondary education can help pastoralists to attain waged, higher paid employment (see Little et al, forthcoming). While pastoral regions have relatively low levels of education compared to other areas, herders recognize its importance for attaining relatively secure, salaried employment and “accessing resources outside the pastoral circuit” (Kratlii 2001: ii). In many parts of eastern Africa pastoral households with higher levels of education generally are better off in terms of income and food security, in part because family members who are employed can remit incomes (see McPeak and Little 2004). The case of Letamara of Baringo District, Kenya is illustrative of the positive role that education can play in pastoral diversification. Letamara had graduated from secondary school and his brother from university in the early 2000s and both had relatively high-paying positions in government. Despite the fact that Letamara had lost almost 80 percent of his livestock during the 1999-2000 drought, his family had adequate cash income, including remittances from his brother, to purchase food during the drought and animals in the recovery period. Data from a larger, nearby sample of households confirm that individuals with secondary and/or post-secondary schooling are about ten times more likely to have salaried employment, twice as likely to remit income, and own 20 percent more livestock than others in the area (Little et al., forthcoming).

To encourage herders to pursue education-based diversification, school locations and calendars should reflect the seasonal nature of pastoralism and population movements. Mobile schools are one avenue for accomplishing this and have been successfully implemented in West Africa and elsewhere in the world. They should be given more serious consideration in eastern Africa, so herders are better prepared for skilled positions in the future while minimizing costs to their pastoral livelihoods (see Dwyer 2006). Pastoralists should not have to make a choice between the pursuit of pastoralism and sending children to school because of conflicting demands between the two.

Conclusions

Several misconceptions surround the issue of economic diversification among pastoralists. This short paper has tried to clarify many of these and to point to their policy implications. There is little question that income diversification as a risk coping and management strategy will continue to increase among pastoralists, especially in light of future uncertainties about climate change and food prices. Many poor in pastoral areas who have exited or are in the process of doing so because of drought and other factors, may not re-enter the pastoral sector, and thus, need to have access to skills training, job creation, and other support, in order to pursue alternative livelihoods. Better-off households, in turn, will continue to supplement their incomes by a range of different

activities, but pastoralism will remain their activity and mobility and flexibility their chief means for achieving it.

The paper has distinguished between *good* and *less good* forms of diversification and has highlighted expensive activities, such as irrigated agriculture, and other expensive infrastructure projects that are costly and unsustainable. Too often these are concentrated in or near towns and settlements that encourage herders to sedentarize and result in large pockets of poverty, food aid dependence, and environmental destruction. As the paper has argued, those activities that facilitate small

enterprises and other activities (for example, collection and processing of natural products and livestock-based products) can provide employment/livelihoods for poor, ex-pastoralists while supporting pastoral production. They will benefit multiple groups of beneficiaries and, importantly, will generate added value in the local economy while sustaining livestock production.

It is hoped that thoughts expressed in this brief will be considered by the various teams of experts and consultants now assisting countries in Eastern and Southern Africa to identify income sources and growth drivers under the CAADP agenda.

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Acknowledgements

This Policy Brief was written by Professor Peter D. Little, Emory University under support to the *Pastoral Areas Coordination, Analysis and Policy Support (PACAPS)* project provided by the International Institute for Environment and Development. PACAPS is a project of the Feinstein International Center, Tufts University, implemented in partnership with COMESA. It is funded primarily by the United States Agency for International Development as part of the wider program *Regional Enhanced Livelihoods in Pastoral Areas*.

Further information

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